



# Overview of the American Rescue Plan Act (ARPA) Funding

Town Council Meeting  
February 16, 2022

# Overview of ARPA

- Passed by Congress in March 2021
- \$1.9 trillion
- “Provides additional relief to address the continued impact of COVID-19”
  - Economy
  - Public Health
  - State and Local Governments
  - Individuals and Businesses





# Overview of ARPA (continued)

- Sec. 9901: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
  - \$350 billion to All States, Counties, Cities, Towns, Territories, and Tribal Governments
  - Based on population
  - Queen Creek Allocation = \$4.8 million
    - \$2.4M received June 2021
    - \$2.4M to be received June 2022

# Overview of ARPA (concluded)

- Interim Final Rule – May 2021
  - Provided Initial Guidance
  - U.S. Treasury Sought Feedback
    - National League of Cities (NLC)
    - National Association of Counties (NACO)
    - State-level Organizations
    - Public
- Final Rule – January 2022
  - Broader flexibility
  - Greater simplicity



# ARPA Eligible Expenses

## Four Main Categories:

1. Replace Lost Public Sector Revenue
2. Investments in Water, Sewer, and Broadband Infrastructure
3. Respond to Public Health and Economic Impacts of COVID-19
4. Premium Pay for Eligible Workers



# Replace Lost Public Sector Revenue

- Used to pay for “government services” in amount equal to revenue loss
  - “Any service traditionally provided by a government”
    - Public Safety
    - Streets and Public Works
    - Parks and Recreation
    - Administration
  - Exceptions:
    - Debt Service
    - Settlements and Judgments
    - Extra Deposits into Pension Funds to pay down unfunded liabilities





# Replace Lost Public Sector Revenue (continued)



## Interim Rule:

- Formula to calculate “loss”
- Did not apply to Queen Creek



## Final Rule:

- Option to select a “Standard Allowance” up to \$10 million
- Not required to demonstrate actual loss of revenues



# Replace Lost Public Sector Revenue (concluded)

## Standard Allowance Option

- Similar to CARES Act Funds
  - \$5.8M restricted for Public Safety Personnel Expenses
- Queen Creek: Public Safety Expenses
- Simplified Reporting





# Infrastructure – Highlights

- Water and Sewer
  - Utility Master Plan CIP Projects
  - Stormwater Projects
- Broadband
  - “Cybersecurity” – modernize infrastructure, hardware, and software



# Other Categories



- Public Health Impacts
  - Not a core service of Queen Creek
- Economic Impacts
  - Limited in Queen Creek
  - State and County Programs Available
- Premium Pay
  - Multiple Definitions and Rules
  - Limited Funding

# Queen Creek Guiding Principles

- Prioritize Public Safety
  - “Standard Allowance” option makes ARPA similar to CARES Act
- Maintain Service Levels
- Maintain Long-Term Fiscal Balance
  - ARPA Allocation is One-Time Funding
  - Don’t Commit to New Ongoing Expenses
- Simplify Compliance and Reporting
  - ARPA Funds Subject to Annual Audit





# Questions and Comments